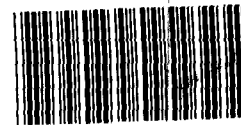


February 1993

LEGAL SERVICES  
CORPORATION

National Support  
Center Grantees'  
Activities



148447

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**Human Resources Division**

B-245410

February 5, 1993

The Honorable Richard Arme  
The Honorable Cass Ballenger  
The Honorable Thomas J. Bliley, Jr.  
The Honorable Dan Burton  
The Honorable Philip M. Crane  
The Honorable Tom DeLay  
The Honorable Robert K. Dornan  
The Honorable John J. Duncan, Jr.  
The Honorable Bill Emerson  
The Honorable Porter J. Goss  
The Honorable Mel Hancock  
The Honorable Wally Herger  
The Honorable Henry J. Hyde  
The Honorable Jim Lightfoot  
The Honorable Bob Livingston  
The Honorable Ron Packard  
The Honorable Dana Rohrabacher  
The Honorable Robert S. Walker  
House of Representatives

This report responds to your request that we provide information on federal funds spent on programs involved, directly or indirectly, in political, cultural, institutional, ideological, and/or economic advocacy. In your letter, you expressed particular interest in activities carried out by grantees of the Legal Services Corporation (LSC).

After subsequent discussions with Congressman Hancock and his representatives, we agreed to limit our work to LSC and the Centers for Disease Control (CDC), and to perform our work in stages, starting with LSC. We agreed to present data on the activities of the 16 grantees referred to as national support centers that received funds from LSC in 1990. A more detailed discussion of our scope and methodology is contained in appendix I.

By their very nature, the national support centers are advocates of specific interests. They work to advance the interests of (1) people in a particular issue area, such as housing or employment, or (2) a class of people, such as migrant workers or senior citizens. The centers provide assistance to other LSC grantees in these specialized

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areas. Their assistance includes legal research and analysis, training, and the production and distribution of publications including information on legislative developments. Generally, the centers do not provide direct legal representation. They sometimes serve, however, as co-counsel with other grantees on major cases. As advocates, they also engage in lobbying activities.<sup>1</sup> As discussed below, the law permits LSC grantees to engage in lobbying activities under certain conditions.

This report pertains to our work at LSC. Specifically, we present data on (1) the amount and sources of the centers' funding, (2) their principal activities, (3) the estimate of funds spent on lobbying activities, and (4) the makeup of their boards of directors. The report also discusses recent findings of monitoring reviews conducted by LSC regarding each center's funded activities.

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## Background

The Legal Services Corporation Act of 1974, as amended, provides the structure for the federal legal services program. The act authorizes LSC to provide federal financial support for legal assistance, in noncriminal proceedings, to people unable to afford it. The act also authorizes LSC to regulate its grantees and ensure that they comply with the act.

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## Provisions of the LSC Act and Regulations Governing Grantee Activities

The act requires that any grantees of LSC funds organized solely for the provision of legal assistance be governed by a board of directors that includes attorneys and eligible clients.<sup>2</sup> The act requires that the board of each grantee consist of at least 60 percent attorneys and one-third representatives from grantees' client populations. LSC regulations require the selection of client-representative board members to be made from a variety of organizations or groups and prohibit a single organization or group from dominating the selection process.

The LSC Act and appropriations acts restrict the lobbying activities of grantees. The LSC Act prohibits grantees from using federal funds to advocate or oppose legislative proposals, ballot measures, referendums, executive orders, or regulations except (1) on behalf of an eligible client or (2) when requested by an executive agency or by a legislative body, committee, or member. The act also imposes restrictions on the use of

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<sup>1</sup>LSC regulations generally define lobbying as efforts, by varied means, intended or designed to influence (1) decisions by federal, state, or local officials or agencies or (2) legislation pending before federal, state, or local legislatures.

<sup>2</sup>Any person financially unable to afford legal assistance.

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nonfederal funds. It makes private funds received by grantees for the provision of legal assistance subject to the same restrictions as federal funds. In addition, it prohibits attorneys engaged in legal assistance activities, supported in whole or in part by LSC, from engaging in any political activity. The appropriations acts for the years we reviewed (fiscal years 1989 and 1990) contained similar, but more detailed, restrictions.

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## LSC Monitoring

LSC's Office of Field Services (OFS) and its Office of Monitoring, Audit, and Compliance (OMAC) share responsibilities for ensuring that grantees comply with the act and LSC regulations. Grantees submit yearly and quarterly reports to OFS. They also submit special reports on certain activities, such as training and publications.

Staff from OMAC review national support centers every 24 to 26 months. These reviews involve on-site visits to the centers by monitoring teams. The review teams examine centers for efficiency, effectiveness, and compliance.

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## LSC and Grantee Funding

The Congress appropriated \$321 million to LSC for 1990. LSC provided more than 300 grants with its appropriations. Most of the grants were provided to LSC's basic field programs.<sup>3</sup>

The 16 national support centers received \$15.2 million in funding during 1990. They received \$7.2 million in 1990 LSC grants, and about \$800,000 from other LSC funds.<sup>4</sup> Federal programs, state and local governments, and private contributors provided the other \$7.2 million.

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## Results in Brief

The national support centers' principal activities include legal research and analysis, litigation, the production and distribution of publications involving issues they identified as related to the needs of people whose interests they serve, and training. Collectively, during 1990, the centers reported spending the largest share of their LSC funds performing legal research and analysis, primarily for other grantees who provided direct representation to clients. In addition to these activities, some centers reported using LSC funds to engage in permitted lobbying activities and legislative and administrative monitoring.

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<sup>3</sup>Local neighborhood law offices that provide direct legal representation to individual clients.

<sup>4</sup>Other LSC funds include income derived from activities pursued with LSC funds, such as the sale of publications and proceeds from litigation.

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LSC's monitoring reports generally reflect that the centers' 1990 activities were in compliance with the LSC Act and regulations. LSC did report, however, some activities by the centers that did not comply with the act and regulations.

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## Sources of National Support Centers' 1990 Funding

Collectively, the 16 national support centers received 53 percent of their funding from LSC during 1990. Table 1 shows the amount of LSC and non-LSC funding received by the national centers in 1990. As shown in the table, the percentage of each center's funds that LSC provided varied from 5 percent for the Food Research and Action Center (FRAC) to 100 percent for the Indian Law Support Center (ILSC).

**Table 1: Sources of National Support Center Funding (1990)**

Center	LSC 1990 grants	Other LSC funds	Non-LSC funds	Total	Percent LSC funded
Center for Law and Education	\$597,064	\$10,585	\$106,909	\$714,558	85
Center on Social Welfare Policy and Law	686,192	10,657	297,398	994,247	70
Food Research and Action Center	62,104	0	1,246,312	1,308,416	5
Indian Law Support Center <sup>a</sup>	264,339	19,570	0	283,909	100
Migrant Legal Action Program, Inc.	563,596	7,334	87,498	658,428	87
National Center for Youth Law	560,372	22,181	638,472	1,221,025	48
National Center on Women and Family Law, Inc.	269,816	29,061	82,114	380,991	78
National Consumer Law Center, Inc.	670,681	11,953	872,661	1,555,295	44
National Economic Development and Law Center	415,320	11,389	749,474	1,176,183	36
National Employment Law Project, Inc.	516,945	6,072	16,104	539,121	97
National Health Law Program, Inc.	625,445	42,608	193,376	861,429	78
National Housing Law Project	725,628	22,118	506,596	1,254,342	60
National Immigration Law Center <sup>b</sup>	166,370	92,771	500,914	760,055	34
National Legal Center for the Medically Dependent and Disabled, Inc.	432,000	73,673	30,047	535,720	94
National Senior Citizens Law Center	597,073	392,234	526,262	1,515,569	65
National Veterans Legal Services Project	93,647	14,834	1,374,513	1,482,994	7
<b>Total</b>	<b>\$7,246,592</b>	<b>\$767,040</b>	<b>\$7,228,650</b>	<b>\$15,242,282</b>	<b>53</b>

<sup>a</sup>The Native American Rights Fund (NARF) is the parent organization of ILSC. NARF received about \$3.6 million in 1990 (about \$284,000 in LSC funds, and \$3.3 million in non-LSC funds). Historically, ILSC has been reported to LSC as a programmatically and financially distinct organization from NARF.

<sup>b</sup>The Legal Aid Foundation of Los Angeles (LAFLA) is the parent organization of the National Immigration Law Center. LAFLA receives more than \$5 million annually from LSC for its basic field program operations.

Source: National support centers' audited financial statements for 1990 and/or information provided by national support center directors.

The centers also receive private funds and non-LSC public funds (for example, state funds). The LSC Act provides that private funds "received for the provision of legal assistance" are subject to the same restrictions as LSC funds. This implies that private funds contributed for other purposes are permitted to be used for the purpose intended by the contributor, without regard to prohibitions in the act. The act clearly permits non-LSC public funds to be used for their intended purpose, without regard to prohibitions in the act.

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## LSC-Funded Activities of the Centers

The national support centers reported using LSC grant funds to engage in a variety of activities in fiscal year 1990. The most common activities included legal research and analysis, litigation, production and distribution of publications, and training. A number of the centers also reported using federal funds to engage in permitted lobbying activities. The centers were required to establish priorities and carry out all activities in a manner consistent with the priorities that they established. LSC found that the centers generally complied with the regulations and the provisions of the LSC Act governing the establishment of priorities.

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## Common Activities

The centers reported spending a combined total of 37 percent of their federal funds on legal research and analysis. (See app. II.) They also reported spending relatively large portions of their federal funds on litigation, production and distribution of publications, and training—13 percent, 20 percent, and 13 percent, respectively.

Litigation that the centers participated in involved lawsuits that were intended to advance causes consistent with their goals. The centers generally acted as co-counsel with other programs that provide legal services. As indicated in appendix III, centers have reported litigating cases involving a variety of parties and issues, including agencies and programs of the federal government. For example, the National Senior Citizens Law Center (NSCLC) is participating in several active class action suits involving federal agencies in such areas as Medicaid, Medicare, Social Security, and Supplemental Security Income (SSI).

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## Lobbying and Related Activities

The LSC Act and appropriations acts restrict the lobbying activities for which grantees can use federal funds. Grantees are prohibited from advocating or opposing legislative proposals, ballot measures, referendums, executive orders, or regulations except (1) when necessary in the representation of an eligible client or (2) when requested by an executive agency or by a legislative body, committee, or member.

The regulations require that grantees report the direct and indirect expenses incurred in lobbying activities. Fifty employees of the national support centers used the equivalent of about 2 staff years of time while engaging in lobbying activities during 1990. These individuals spent most of their time performing other duties for the centers. Collectively, the national support centers reported spending about \$104,000 of the \$7.2 million in funds provided by LSC on legislative and administrative



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lobbying issues during 1990 (see app. V). Appendix IV shows the issues with regard to which the centers lobbied during 1990.

In addition to reported lobbying activities, most centers reported activities associated with legislative and administrative monitoring. Appendix II shows that these activities collectively accounted for about 4 percent of LSC-funded activities.

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## Establishing Priorities

The act requires that the centers carry out all activities discussed above in a manner consistent with priorities they establish. The LSC Act and regulations require grantees to prioritize their activities for the provision of assistance, taking into account the needs of eligible clients. In assessing these needs, grantees are required to consider the special legal problems and the views of these clients. Grantees are required to also consider the views of their own employees and governing body members, the private bar, and other interested people.

LSC found that the centers generally complied with the act and regulations in establishing priorities. In a few cases, however, LSC questioned whether centers had obtained adequate participation from their client populations in needs-assessment surveys.

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## Composition of Centers' Boards of Directors

The national support centers' boards of directors are generally composed of attorneys and representatives of their client populations. The LSC Act and regulations require that the board of each grantee be composed of at least 60 percent attorneys and one-third from individuals eligible to be clients or organizations representing such individuals. Each grantee is required to appoint attorney board members in such a way that the majority of them are selected by bar associations that represent a majority of practicing attorneys in the area in which the grantee has its principal headquarters.

LSC regulations require that the selection of client-representative board members be made from a variety of organizations or groups. The regulations prohibit the domination of the selection of these members by a single group or organization. The collective membership of the national support centers' boards of directors totaled 205 members during 1990. Board members included 64 percent attorneys (120 appointed by bar associations and 11 that were not), 31 percent (63 members) client

representatives, and 5 percent (11 members) not classified as clients or attorneys.

Three centers did not have the required board composition during 1990.<sup>5</sup> Unfilled vacancies caused these centers not to have the required percentages of client members on their boards.

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## Results of LSC Monitoring Reviews

LSC's recent monitoring reports reflect that most of the activities of the national support centers complied with the LSC Act and regulations.<sup>6</sup> LSC did, however, identify some activities that did not comply with the act and regulations. In most instances, the centers did not agree that the activities were improper. LSC found a few centers engaged in prohibited legislative and administrative lobbying activities. Also, LSC found that some centers did not comply with the regulations when appointing individuals to their boards of directors.

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### Legislative and Administrative Lobbying

LSC reported that some centers violated regulations governing lobbying and associated activities. LSC found improper delegations of authority to approve certain types of communications at two centers. Also, it found that several centers did not have required records of expenses and activities, and several centers published prohibited material.

### Delegations of Approval Authority

LSC found that there were improper delegations of authority for approving lobbying activities at NSCLC and the Center on Social Welfare Policy and Law (CSWPL). LSC regulations require that the director or chief executive of the grantee give written approval before staff communicate with public officials on behalf of clients. However, LSC found that the executive director of NSCLC delegated authority to a staff attorney to approve these communications when he was unavailable, and that CSWPL's policy authorized the executive director or the associate director to approve communications.

In response, NSCLC said that approval authority was subject to delegation only in unusual circumstances, such as when the executive director was

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<sup>5</sup>Additionally, FRAC did not have client eligible members on its board of directors during 1990. However, LSC determined that FRAC did not have to comply with the governing body restrictions in the LSC Act because those restrictions apply only to grantees "organized solely for the provision of legal assistance to eligible clients," and FRAC was organized for other purposes.

<sup>6</sup>LSC also identified several centers with financial management problems during its monitoring visits. These problems primarily involved deficiencies in internal controls over cash and other assets. Review of these problems was beyond the scope of our work.

“on leave and unavailable.” NSCLC argued that categorically prohibiting delegation could preclude it from representing a client in an urgent situation when the executive director was absent. Although NSCLC is correct about the effect this may have in an urgent situation, the regulation supports LSC’s position.

In commenting on a draft of this report, CSWPL asserted that its delegation did not violate the regulation because it covered only those communications funded with non-LSC funds—“both the Executive Director and Associate Director understood that if LSC funds were ever to be used for communications to a legislator, the Executive Director was to give approval.” CSWPL correctly points out that an appropriations act proviso prohibits LSC from enforcing lobbying regulations that impose restrictions on private funds unless such restrictions are explicitly set out in the LSC Act, and that the act has no requirement for approval of communications by the director. In addition, CSWPL said that it had clarified its policy to specifically state that the executive director must approve any communications supported by LSC funds.

## Recordkeeping

LSC had some concerns about recordkeeping at NSCLC, CSWPL, and the National Housing Law Project (NHLP). LSC reported that NSCLC failed to maintain separate records documenting the source of funds to which the direct and indirect costs of legislative and administrative lobbying were charged. While the grantees are required to maintain information on such costs, the regulations do not specify the form in which the records should be maintained. NSCLC said that it maintained separate records of legislative and administrative lobbying costs, and that it had submitted them to LSC and did not know what else it should do.

During our discussions with LSC, it conceded that NSCLC was able to provide separate records from which direct and indirect costs of lobbying could be calculated. In this regard, LSC said that NSCLC maintains records from which direct costs (salary costs) of lobbying can be compiled, and that these figures can be used to calculate indirect costs. LSC told us, however, that NSCLC does not regularly compile such records and therefore, the necessary figures are not readily available during on-site reviews. Since the required information could be calculated, no violation of the regulation occurred.

LSC faulted CSWPL for failing to comply with the requirement in the regulations that grantees document the source of funding for lobbying activities. CSWPL had reported only that it used “unrestricted” non-LSC funds

to support legislative representation of clients. LSC takes the position that the regulations require a more precise indication of the source of funding. In commenting on a draft of this report, CSWPL said that it has (1) made all records available to LSC and answered all questions about its funds; (2) used the description "unrestricted" for years without LSC raising any questions; and (3) asked LSC what information it is seeking, but has received no response. LSC said that CSWPL subsequently satisfied its concerns by identifying Ford Foundation funds as the source of the unrestricted funds.

LSC found that CSWPL and NHLP performed legislative lobbying without proper documentation. CSWPL engaged in legislative representation without written retainer agreements. The regulations require grantees to have written retainers that show the specific legal interest of the client on whose behalf the lobbying activities are undertaken.

As in its comment regarding improper delegations, CSWPL said that it did not use LSC funds in the cases cited by LSC, and that the appropriations act proviso discussed earlier would make the regulation inapplicable to activities funded with non-LSC funds.

At NHLP, LSC found that many of the requests from legislators identified only a general subject matter, such as housing legislation, to be considered by the Congress in the upcoming legislative session. The regulation requires grantees to document when they are responding to a request from a legislator, and that they identify "the specific concern, regulation, legislation, or executive or administrative order to be addressed." NHLP asserts that requests identifying subject matter, such as housing legislation, comply with the regulation. However, with only a generalized request, LSC would have less information about the lobbying activities of the grantees than the regulation appears to require.

In commenting on a draft of this report, NHLP said that it provides adequate information to LSC about its lobbying activities. NHLP said that it provides a narrative description of its lobbying activities in quarterly reports to LSC, and that LSC has access to any written comments on legislative and administrative proposals. NHLP also commented that LSC appears to have reconsidered its position on the specificity required in legislators' requests. According to NHLP, although legislators have continued to frame their requests to NHLP in the same manner, LSC's most recent monitoring report found NHLP to be in compliance with the documentation requirement.

LSC agrees that in its most recent monitoring report, it found NHLP to be in compliance with the documentation requirement. LSC said, however, that this does not represent a change in its position. According to LSC, the earlier report merely identified this matter as a "concern," and that the most recent report followed up on this issue in more depth and found compliance with the regulation.

## Publications

LSC found that ILSC, NSCLC, and CSWPL violated regulations that prohibit grantees from publishing material that refers to proposed or pending legislation or administrative actions, unless the publication contains no "publicity or propaganda" and does not instruct the reader how to lobby. "Publicity or propaganda" is defined as any communication that, taken as a whole, amounts to a direct suggestion to the public to contact public officials for or against proposed or pending legislation or administrative action.

LSC said that ILSC violated this regulation by publishing the names and phone numbers of congressional staff to contact for more information on a legislative matter. LSC and ILSC reached a settlement in connection with this finding: ILSC agreed to a reduction of \$548.00 in its 1991 grant, and to refrain from publishing such information, but did not concede that it had violated the regulation.

LSC cited a number of documents published by NSCLC as violations of the same regulation. For example, LSC cited: (1) an article about a proposed agency action, which noted when comments were due to the agency and provided the address to which they were to be sent, (2) articles about proposed legislation or agency actions, which identified an NSCLC official who could be contacted for further information, and (3) a reprint of a letter from a congressman to an NSCLC staff member soliciting comments on an issue, on a toll-free telephone line. NSCLC responded that the regulation did not apply to most of the materials "because they do not involve pending legislation." However, the regulations define the term "legislation" as including such administrative actions as rulemaking.

NSCLC also asserted that the publications were all neutral descriptions, which are permitted under the regulation. While neutral reporting of the content, status, or effect of proposed legislation is permitted, the regulation also says that grantees may not "provide information about whom to contact or how to support or oppose" legislation. The wording of the regulation, while not entirely clear supports LSC's determination that

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the grantee violated it by saying that people wanting more information about a pending legislative action should contact the grantee.

In commenting on a draft of this report, NSCLC reiterated that the contents of the articles that it distributed were proper and did not violate LSC regulations. NSCLC asserted that the prohibitions against listing contacts refers to government decisionmakers only and not to their staff. NSCLC also said that its publications were not in violation because LSC funds were used to distribute them only to LSC-funded programs. We believe that the regulation, read literally, provides a basis for LSC's decision. The regulation prohibits providing "information about whom to contact or how to support or oppose pending or proposed legislation," even in neutral reports. The prohibition regarding whom to contact is not limited to decisionmakers; nor does it matter who received the publication.

LSC reviewed about 40 CSWPL publications and found that two items violated its regulations. One article told readers of a pending agency regulation, offered assistance to those interested in commenting on it, and advised when the comments were due. LSC said that this suggests to people outside the program that they could attempt to influence the regulation with CSWPL's assistance, and it may also be a forbidden solicitation of clients for the purpose of making administrative representations.

The other CSWPL publication provided information about congressional oversight hearings, including the type of information sought, and said that statements could be submitted for the record and that further information was available from CSWPL. LSC found that this provides information that people outside the program could use to influence elected officials.

CSWPL regards these publications as the kind of neutral information that grantees are permitted to disseminate. It said that the publications did not directly suggest that people contact public officials in support of or in opposition to pending or proposed actions, but only apprised readers of an opportunity to comment.<sup>7</sup> CSWPL also notes that neither publication identifies anyone outside CSWPL to contact.

CSWPL is correct that these two articles do not explicitly urge the support or defeat of the proposed rule, or take a specific position on any legislation that may come out of the oversight hearing. However, both articles offer assistance and/or information to a reader who might want to

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<sup>7</sup>CSWPL also contends that the LSC prohibition against lobbying concerning pending "legislation" does not cover a congressional oversight hearing. We believe that legislation is defined broadly enough in the regulations to include oversight proceedings.

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support or oppose a pending issue. LSC's regulations prohibit information not only on whom to contact, but also on how to support or oppose pending legislation or rules.

CSWPL also argues that under our decisions interpreting the prohibitions in various statutes against "publicity and propaganda," the activities at issue here would be permissible. However, LSC's objection to the CSWPL publications is based, not on those statutes, but on the explicit prohibitions in its regulations. We believe that LSC's regulation is consistent with its own statutory authority.

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### Some Boards' Members Appointed Improperly

LSC found that the procedures used to appoint some of the grantees' 1990 board members did not comply with provisions of the LSC regulations. The regulations require centers to vest authority for appointment of attorneys in bar associations. LSC found that about half of the national support centers violated this requirement. The centers required that their boards of directors approve the bar associations' appointees before they could actually become members. However, LSC also found that the boards approved the individuals that bar associations had selected. Some of these centers said that the approval process provides assurance that the selections made by bar associations comply with the requirements of the LSC Act and regulations.

LSC found that the boards generally controlled the appointments of their client members. Nine of the 16 centers vested the authority for the appointment of the majority of their client members in a single organization, usually the programs' board itself or one of the board's committees. Although most of these centers did elect client-representative members from nominees submitted by client organizations, LSC disapproved of the boards' domination of the selection process. While the regulations allow the boards to select the client members as long as they represent appropriate groups, the regulations also make the method of selection and the composition of the boards subject to LSC approval.<sup>8</sup>

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<sup>8</sup>It is not clear that the centers are required to comply with LSC regulations governing the methods of appointment and composition of client-eligible members to boards of directors. For some time, LSC appropriations have included a proviso prohibiting LSC from imposing requirements on governing bodies of grantees that are additional to or more restrictive than the act. Both the requirement that client members be representatives from appropriate groups and the requirement that LSC approve the method of selection and the composition of the boards do not appear in the act.

## LSC and National Support Centers' Comments

In a letter dated November 19, 1992, LSC generally agreed with the contents of a draft of this report (see app. VI). However, LSC recommended that we "consider the effect of the provisos in LSC's appropriations acts upon the operations of the corporation and its recipients." LSC also commented that the discussions of the restrictions and prohibitions related to grantee activities were too general and overlooked specific appropriations act requirements. We disagree. We considered the effects of provisos that were relevant to our review and did not overlook appropriations acts requirements. We found two appropriations acts provisos to be relevant—a lobbying restriction proviso and a proviso restricting LSC's regulation of grantee governing bodies. In the draft report we discussed the lobbying restrictions that are part of the LSC Act and that are similar to the appropriations acts restrictions. We have added a reference to the appropriations acts proviso. Footnote 8 on page 13 discusses the proviso on grantee governing bodies.

LSC also suggested that we set forth the requirement that the bar association that appoints grantee board members be the majority bar association from the locality where the grantee has its principal headquarters. We have clarified the report to show that the association must represent a majority of attorneys practicing in the area where the grantee has its principal headquarters.

LSC noted some differences between its data and information presented in our report. They are due to differing source documents (for example, we used audited financial statements in certain instances rather than unaudited reports filed by the centers) and some differences in methodology used to calculate averages. We do not believe that the differences are material. LSC also provided technical comments, which we incorporated as appropriate.

We also provided an opportunity to each national support center to comment on those sections of the report that pertained to their activities. Most centers responded and their comments are presented in the report as appropriate.



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We are sending this report to the appropriate congressional committees, LSC, the national support centers, and other interested parties. Please call me on (202) 512-7215 if you have any questions about this report. Other major contributors are listed in appendix VII.

*Joseph F. Delfico*

Joseph F. Delfico  
Director, Income Security Issues

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# Contents

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Letter	1
Appendix I Scope and Methodology	18
Appendix II National Support Centers' Estimated Percentage of 1990 LSC Funds Spent on Various Activities	20
Appendix III LSC-Funded Litigation Reported by National Support Centers During 1990	23
Appendix IV LSC-Funded Legislative and Administrative Lobbying Issues Reported by National Support Centers During 1990	26

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Appendix V Lobbying Expenditures Reported by National Support Centers in 1990	30
Appendix VI Comments From the Legal Services Corporation	31
Appendix VII Major Contributors to This Report	33
Table	Table 1: Sources of National Support Center Funding 5

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**Abbreviations**

AFDC	Aid to Families with Dependent Children
CDC	Centers for Disease Control
CSWPL	Center on Social Welfare Policy and Law
FRAC	Food Research and Action Center
HUD	Department of Housing and Urban Development
ILSC	Indian Law Support Center
LAFLA	Legal Aid Foundation of Los Angeles
LSC	Legal Services Corporation
NARF	Native American Rights Fund
NHLP	National Housing Law Project
NSCLC	National Senior Citizens Law Center
OFS	Office of Field Services
OMAC	Office of Monitoring Audit and Compliance
SSI	Supplemental Security Income

# Scope and Methodology

For the most part, we relied on data that the national support centers provided to Legal Services Corporation during 1991. We also interviewed officials from national support centers and LSC. To determine the amount and sources of funding for each center, we used the audited 1990 financial statements that they provided to LSC.

To determine each center's principal activities, we used information that they reported to LSC in their 1991 applications for funding, the minutes from the meetings of their boards of directors, the quarterly activity reports that they submitted to LSC, and interviews with their directors. The applications, as well as interviews with support center directors, provided information on the activities and functions that each center prioritized. The quarterly reports provided information on the activities that the centers actually pursued during 1990. We used data that the centers reported in their 1991 applications for funding to determine the amount of LSC funds that they spent on lobbying activities.

The information that we provide on the boards of directors is based on data that we obtained from corporate bylaws, the minutes of boards of directors' meetings, 1991 applications for funding, LSC's monitoring reports, and responses to the monitoring reports. The corporate bylaws include the procedures for appointing board members. The minutes of board meetings generally provide the rationale for appointments and a discussion of how the procedures were used to make appointments. The applications for funding provide summaries of the composition of each center's board. The applications also provide information on the affiliations of board members, including appointing organizations.

Monitoring reports provided the findings of LSC compliance reviews of center activities. We also discussed these reports with LSC officials.

We performed our audit work from September 1991 to February 1992 in accordance with generally accepted government auditing standards. We did not, however, verify the accuracy of the information that we obtained.



# National Support Centers' Estimated Percentage<sup>a</sup> of 1990 LSC Funds Spent on Various Activities

Name of Center	Legal research & analysis <sup>b</sup>	Legislative lobbying <sup>c</sup>	Legislative & administrative monitoring <sup>d</sup>
Center for Law and Education	42	0	0
Center on Social Welfare Policy and Law	38	2	3
Food Research and Action Center	70	0	0
Indian Law Support Center	35	0	0 <sup>m</sup>
Migrant Legal Action Program	40	1	1
National Center for Youth Law	30	0	4
National Center on Women and Family Law	44	3	0
National Consumer Law Center	35	0	0
National Economic Development and Law Center	25	0	0
National Employment Law Project	35	0	3
National Health Law Program	45	0	2
National Housing Law Project	40	8	20
National Immigration Law Center	50	0	5
National Legal Center for the Medically Dependent and Disabled	45	5	0
National Senior Citizens Law Center	21	2	7
National Veterans Legal Services Project	75	0	0
Overall	37	2	4

**Appendix II  
National Support Centers' Estimated  
Percentage\* of 1990 LSC Funds Spent on  
Various Activities**

<b>Administrative representation &amp; adjudicatory proceedings<sup>a</sup></b>	<b>Litigation<sup>f</sup></b>	<b>Production and distribution of publications<sup>g</sup></b>	<b>Training<sup>h</sup></b>	<b>Noncase related assistance<sup>i</sup></b>	<b>Administrative other<sup>j</sup></b>	<b>Task forces<sup>k</sup></b>	<b>Other<sup>l</sup></b>
0	20	15	13	6	0	1	3
0	0	33	10	7	1	1	5
0	10	5	5	0	5	5	0
0 <sup>n</sup>	35	8	14	0	8	0	0
1	37	15	1	3	0	1	0
0	8	20	20	5	0	5	8
0	2	38	9	2	0	0	1
0	1	54	5	0	0	0	4
0	0	30	20	5	10	5	5
0	22	4	21	1	14	0	0
0	12	19	19	2	0	0	1
0	11	8	12	0	0	1	0
0	0	23	23	0	0	0	0
0	10	20	20	0	0	0	0
1	20	10	8	14	4	2	11
0	5	15	5	0	0	0	0
0	13	20	13	4	2	1	3

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**Appendix II  
National Support Centers' Estimated  
Percentage\* of 1990 LSC Funds Spent on  
Various Activities**

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<sup>a</sup>Rows may not add to 100 percent because of rounding. Also, a "0" in a column either means the center reported "0" percent or less than half of 1 percent.

<sup>b</sup>Oral or written advice, research, or other support services rendered on behalf of a specific client's case (such as planning of case strategy, review of pleadings and briefs, preparation for hearings, legal research, or production of written memoranda).

<sup>c</sup>Assistance with legislative advocacy activities conducted either in response to a request from a legislative body, a committee, or a member thereof, or a request by an eligible client or other activities described in regulations as legislative lobbying.

<sup>d</sup>Monitoring the developments related to proposed or enacted legislation, regulations, or other administrative activities.

<sup>e</sup>Administrative representation is defined as administrative lobbying, which is an effort intended or designed to influence any decision by a government entity. Adjudication proceeding means determinations by government entities that have particular, rather than general, applicability to an individual's private rights or interests.

<sup>f</sup>Cases in which center participated as counsel or co-counsel.

<sup>g</sup>Production and distribution of manuals, newsletters, handbooks, training materials, model briefs, file materials, and other such items.

<sup>h</sup>Conducting a training session or providing training assistance to a field program.

<sup>i</sup>Oral or written information regarding matters not related to a specific client's case, (such as managerial assistance, information on training events, assistance in setting priorities, planning a training session).

<sup>j</sup>Assistance with administrative activities other than administrative representation or adjudicator proceedings.

<sup>k</sup>Planning, conducting, or participating in task force activities sponsored or co-sponsored by the national support center.

<sup>l</sup>Services not included in the categories listed above.

<sup>m</sup>Center included estimates for this activity under legal research and analysis.

<sup>n</sup>Center included estimates for this activity under counsel/co-counsel.

Source: 1991 applications for funding.



# LSC-Funded Litigation Reported by National Support Centers During 1990

This appendix contains issues that have been litigated using LSC funds. The following are these issues listed by the appropriate national support center. This information was taken from centers' quarterly reports and funding applications.

---

## Center for Law and Education

- Racial discrimination in state system of higher education.
- Rights of disabled students considered by the courts as delinquent, abused, and neglected.
- Action challenging the denial of rights for disabled incarcerated youths to free educational services.
- Alleged inadequacy of provision of services, including educational services to disabled youth who are in custody or guardianship of state agency.
- Scope of Handicapped Children's Protection Act—availability of attorney fees to parents who prevail at administrative hearings.

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## Center on Social Welfare Policy and Law

- Aid to Families with Dependent Children's (AFDC) essential person policy.

---

## Food Research and Action Center

- Provisions under the federal food stamp program.

---

## Indian Law Support Center

- Water rights.
- Oil and gas royalties.
- Provisions of Hawaii Admissions Act of 1959 for geothermal development.
- Aboriginal claims.
- Indian Child Welfare Act.
- Child support.
- Religious freedom.
- Taxation of oil and gas.

---

## Migrant Legal Action Program

- Wage rates by employees under the foreign workers' program.
- Foreign worker program regulations.
- Compliance by farms with the Migrant Seasonal Agricultural Worker Protection Act.
- Employment rights.
- Farm labor housing.
- Unemployment insurance.
- Pesticide issues.

---

**Appendix III  
LSC-Funded Litigation Reported by National  
Support Centers During 1990**

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- Fair Labor Standards Act.
- 

**National Center for Youth  
Law**

- Rights of children harmed in foster care.
  - Right to effective assistance of counsel in termination of parental rights.
  - Appeal of order regarding assistance for homeless families.
  - Access to dental services for poor children.
  - Fair hearing requirement for child welfare services.
  - Legality of conditions in juvenile facilities.
  - Treatment for mentally retarded juveniles.
- 

**National Center on Women  
and Family Law**

- Custody.
  - Challenge to the constitutionality of the Arkansas Domestic Abuse Act of 1989.
  - Battery.
- 

**National Consumer Law  
Center**

- Bankruptcy.
  - Student loan lender and guarantor liability collection.
- 

**National Economic  
Development and Law  
Center**

- None reported.
- 

**National Employment Law  
Project**

- Employment discrimination based on race.
  - Whether claimants for assistance under the Federal Trade Act are entitled to a minimum of procedural rights under the due process clause.
  - Gender discrimination.
  - Disability discrimination.
  - Denial of unemployment compensation.
  - Refusal to provide medical benefits required by law.
  - Questions related to relationship between workers' compensation remedies and relief available under federal labor laws.
- 

**National Health Law  
Program**

- Medicaid.
  - Medicare.
  - State and local responsibility for hospital care.
  - Access to health care for indigent people needing emergency health care.
  - Problems surrounding closures of public hospitals.
-

---

**Appendix III  
LSC-Funded Litigation Reported by National  
Support Centers During 1990**

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**National Housing Law  
Project**

- Constitutionality of the Emergency Low Income Housing Preservation Act of 1987.
- Challenge to no notice evictions order under national public housing.
- Failure of the Department of Housing and Urban Development (HUD) to enforce its regulations relating to servicing of single-family housing.
- Legality of transfer of an elderly housing project.
- Challenge to HUD's sale of mortgages for multifamily properties.
- Challenge to HUD's failure to comply with the McKinley Homeless Assistance Act, the National Housing Act, and the Fair Housing Act.
- Gender discrimination.

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**National Immigration Law  
Center**

- Alien eligibility for state medical services.
- Appeal of applicant for emergency medical procedure.
- Due process rights of persons in deportation proceedings.
- Due process rights of asylum applicants.
- Due process rights of Salvadorans.
- Alien applicants' eligibility for Medicare.

---

**National Legal Center for  
the Medically Dependent  
and Disabled**

- Denial of medical treatment to infants with spina bifida.
- Withholding or withdrawing of nutrition and hydration from persons with disabilities.

---

**National Senior Citizens  
Law Center**

- Age discrimination.
- Alternatives to institutionalization.
- Long-term care.
- Medicaid.
- Medicare.
- Pensions.
- Protective services.
- Social Security.
- SSI.

---

**National Veterans Legal  
Services Project**

- Veterans benefits.

# LSC-Funded Legislative and Administrative Lobbying Issues Reported by National Support Centers During 1990

This appendix contains lobbying issues funded by LSC. The information was obtained primarily from quarterly reports submitted by LSC national support centers during 1990 and information provided by the centers. However, this appendix does not necessarily include all lobbying issues funded by LSC because LSC does not require grantees to list all monitoring activities in their reports.

## Center for Law and Education

Lobbied or provided information or comments on the following issues:

- Reauthorization of the Federal Vocational Education Act of 1990.
- The Equity and Excellence in Education Act of 1990.
- Reauthorization of the education provisions of the McKinley Homeless Assistance Act.
- The Community Education Employment Center Act of 1989.
- The Education of the Handicapped Act improvements to teacher training.

## Center on Social Welfare Policy and Law

Provided information and/or analysis of legislation and programs including the following:

- SSI.
- AFDC.
- Computer matching and the Privacy Act of 1988.
- Electronic payment of benefits.
- Government check-cashing: privileges and basic banking services.

## Food Research and Action Center

- None reported.

## Indian Law Support Center

- None reported.

## Migrant Legal Action Program

Pursued efforts to preserve client rights, or respond to requests for assistance by members of Congress or administrative agencies, related to:

- Department of Labor Employment Service.
- Fair Labor Standards Act.
- Enforcement of the Foreign Worker Program Statute.
- Pesticides and farm worker children (pesticide poisoning).
- Internal Revenue Service policy regarding tax liability for seasonal agriculture workers.

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Appendix IV  
LSC-Funded Legislative and Administrative  
Lobbying Issues Reported by National  
Support Centers During 1990

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- Farm worker living and working conditions.
  - Prevailing wage methodology.
  - Federal Insecticide, Fungicide, and Rodenticide Act.
- 

National Center for Youth Law • Petitioned for changes to rules related to hearings in Florida child welfare and foster care cases.

---

National Center on Women and Family Law • Commented on legislation related to spouse abuse and New York divorce laws.

---

National Consumer Law Center • None reported.

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National Economic Development and Law Center • None reported.

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National Employment Law Project • None reported.

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National Health Law Program

Drafted legislation, prepared research, or provided information about particular legislation and regulations, and on the effects of legislation/regulations on clients on the following programs or issues:

- Medicaid.
- Medicare.
- Health Care Financing Administration policy.
- Access to health care for African American children in Los Angeles.
- Computer matching and the Privacy Act.
- SSI.
- Immunizations for low-income children.

---

National Housing Law Project

Commented or provided information on:

- The implementation of existing federal housing laws.
- Proposed rules related to the prepayment of Farmers Home Administration multifamily loans.
- Drug-related evictions from public housing.
- Federal loan-servicing requirements.

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**Appendix IV  
LSC-Funded Legislative and Administrative  
Lobbying Issues Reported by National  
Support Centers During 1990**

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- Public housing conditions.
  - The Administration's Home Opportunities for People Everywhere proposal.
  - Reauthorization of federal low-income housing programs.
  - Farmers Home Administration regulations on credit worthiness.
- 

**National Immigration Law  
Center**

- None reported.
- 

**National Legal Center for  
Medically Dependent and  
Disabled**

Provided information or analysis on behalf of disabled clients or in response to requests from legislative and administrative officials in the following matters:

- Departments of Army and Veterans Affairs policies on life-sustaining treatment.
  - North Dakota statute governing medical treatment decisions on behalf of incapacitated persons.
  - Oklahoma legislation involving durable power of attorney federal legislation to encourage signing of medical directives in advance.
  - Pennsylvania legislation involving living wills.
  - Arkansas statute on uniform rights of the terminally ill.
  - South Carolina legislation involving advance directives.
  - West Virginia laws and regulations regarding compliance with federal law on medical treatment for infants with disabilities.
  - Federal task force examining issues of medical treatment for infants and children with disabilities.
  - Michigan legislation involving assisted suicide.
  - North Dakota statute involving assisted suicide.
  - Tennessee statute involving assisted suicide.
- 

**National Senior Citizens  
Law Center**

Provided information on more than 70 different occasions during 1990 involving such issues as:

- Social Security and ssi.
  - Nursing home decertification.
  - Pension simplification.
  - Medicare hearing process.
  - Older Americans Act.
  - Gender discrimination in private pension plans.
  - Medicare contractor standards.
-

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**Appendix IV  
LSC-Funded Legislative and Administrative  
Lobbying Issues Reported by National  
Support Centers During 1990**

- 
- Enforcement of Employees Retirement Income Security Act.
  - Draft regulations on Americans with Disabilities Act.

---

**National Veterans Legal  
Services Project**

- None reported.

# Lobbying Expenditures Reported by National Support Centers in 1990

National support center	Staff hours spent on lobbying	Lobbying expenditures <sup>a</sup>		
		Private funds	Non-LSC public funds	LSC funds
Center for Law and Education	325	\$0	\$9,737	\$0
Center on Social Welfare Policy and Law	301	7,064	6,396	13,479
Food Research and Action Center	873	24,827	0	0
Indian Law Support Center	0	0	0	0
Migrant Legal Action Program	227	6,263	0	1,902
National Center for Youth Law	58	2,961	489	279
National Center on Women and Family Law	21	0	0	787
National Consumer Law Center	752	26,422	21,082	0
National Economic Development and Law Center	0	0	0	0
National Employment Law Project	0	0	0	0
National Health Law Program	153	0	1,234	6,004
National Housing and Community Development Law Project	574	308	4,290	58,591
National Immigration Law Center	24	0	943	0
National Legal Center for the Medically Dependent and Disabled	0	0	0	0
National Senior Citizens Law Center	416	7,013	1,088	23,063
National Veterans Legal Services Project	289	0	11,030	0
<b>Total</b>	<b>4,013</b>	<b>\$74,857</b>	<b>\$50,616</b>	<b>\$104,105</b>

<sup>a</sup>Expenditures incurred as a result of any personal service, advertisement, telegram, telephone communication, letter, printed or written matter, or other device, intended or designed to influence any decision by a federal, state, or local agency or legislature.

Source: 1991 funding applications.



# Comments From the Legal Services Corporation



**LEGAL SERVICES CORPORATION**  
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John P. O'Hara  
President

Writer's Direct Telephone  
(202) 336-8896

November 19, 1992

Mr. Joseph F. Delfico  
Director, Income Security Issues  
United States General Accounting Office  
Washington, D.C. 20548

Re: GAO/HRD 93-09

Dear Mr. Delfico:

This is in response to your letter of October 13, 1992, enclosing the General Accounting Office's (GAO) Draft Report entitled: "Legal Services Corporation: National Support Center Grantees' Activities" (GAO/HRD 93-09) (Report).

On behalf of the Corporation, I wish to thank the GAO for the opportunity to provide comments to the Report. In that regard, the Corporation's comments to the Report are attached to this letter.

If you have any questions, please do not hesitate to contact me.

Sincerely,

*John P. O'Hara*  
John P. O'Hara  
President

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**Appendix VI  
Comments From the Legal Services  
Corporation**

**LEGAL SERVICES CORPORATION**

**COMMENTS TO THE  
UNITED STATES GENERAL ACCOUNTING OFFICE  
DRAFT REPORT**

**'LEGAL SERVICES CORPORATION: NATIONAL  
SUPPORT CENTER GRANTEE ACTIVITIES'**

The Legal Services Corporation (LSC/Corporation) has reviewed the General Accounting Office's (GAO) report entitled "Legal Services Corporation Management Report" (Report) and makes the following comments. Overall, the Report presents a well-balanced description of the activities and operations of national support centers. However, LSC recommends that the GAO should also consider the effect of the provisos in LSC's appropriation acts upon the operations of the Corporation and its recipients.

Additionally, a number of the figures cited in the Report differ from the figures maintained by the Corporation. The chart set forth below identifies those differences.

<u>Page/Line</u>	<u>GAO Figure</u>	<u>LSC Figure</u>
5, 10	7.2M	7.3M
10, 4	37%	42%
10, 8	13%	12%
11, 20	4%	3%
13, 8	205	207
13, 9	120	122
13, 11	63	64
40, 7	1 and 3	2 and 2
40, 27	164, 089	168, 945

LSC's next comment relates to the Report's discussion of the restrictions and prohibitions that attach to grantee activities. For example, grantees are prohibited from using federal funds to advocate or oppose legislative proposals unless certain exceptions are met. In that regard, pages 4 and 11 of the Report discuss the exceptions to the prohibitions against lobbying. However, these discussions are overly general and overlook the specific requirements set forth in the appropriations acts that have governed LSC in recent years. In order for the GAO to address these matters more specifically, a copy of Public Law 101-515 is appended as Exhibit 1.<sup>1/</sup>

The Corporation's final point regards page 13 of the Report, wherein Board members' appointments to national support centers are discussed. The Corporation suggests that the requirements of the McCollum Amendment be set forth in the Report with regard to Board Appointments. The McCollum Amendment requires that Board members be appointed by the majority bar association for "the locality where the organization maintains its principal headquarters." Pub. L. 101-162, 103 Stat. 1035; see also, Pub. L. 101-515, and Pub. L. 102-395.

<sup>1/</sup> The requirements of Section 607 have been included in the two successive appropriations measures (Public Law 102-140 and Public Law 102-395) covering LSC, which are also appended as Exhibits 2 and 3.

Now on p. 2.

Now on p. 7.

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# Major Contributors to This Report

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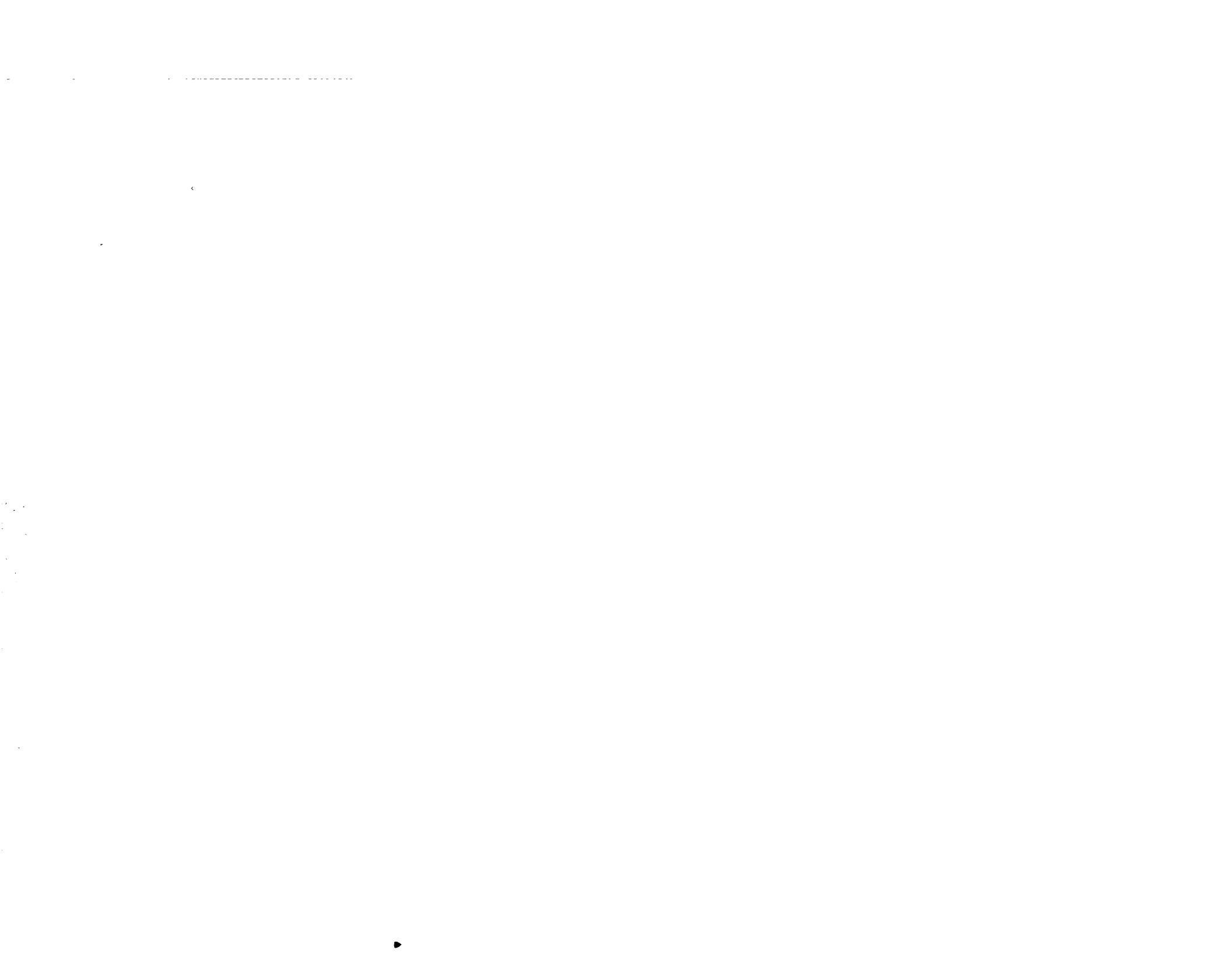
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